

EXHIBIT A

ROBERT B. COPLAN

In the Matter of: Liability of Ernst & Young

6/20/2002

1

1 UNITED STATES DEPARTMENT OF THE TREASURY

2 INTERNAL REVENUE SERVICE

3 - - - - -)

4 In the Matter of:)

5 The Liability of Ernst & Young for)

6 IRC Sections 6707 and 6708)

7 penalties.)

8 - - - - -)

9 Washington, D.C.

10 Thursday, June 20, 2002

11 Deposition of:

12 ROBERT B. COPLAN,

13 a witness called in the above-entitled action, before

14 CHERYL A. LORD, RPR, CRR, a notary public in and for

15 the District of Columbia, taken at McKEE NELSON LLP,

16 1919 M Street, N.W., Suite 800, Washington, D.C.,

17 beginning at 9:10 a.m.

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ROBERT B. COPLAN**In the Matter of: Liability of Ernst & Young****6/20/2002**

<p style="text-align: right;">2</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 On behalf of Ernst & Young:</p> <p>4 GERALD A. KAFKA, ESQUIRE</p> <p>5 MICHAEL J. DESMOND, ESQUIRE</p> <p>6 RONALD L. BUCH JR., ESQUIRE</p> <p>7 McKEE NELSON LLP</p> <p>8 1919 M Street, N.W., Suite 800</p> <p>9 Washington, D.C. 20036</p> <p>10 (202) 775-1880</p> <p>11 mdesmond@mckeenelson.com</p> <p>12</p> <p>13 On behalf of Internal Revenue Service:</p> <p>14 MAUREEN LOVIGLIO, IRS Senior Analyst</p> <p>15 (212) 298-2195</p> <p>16 VIVIANA TAVERNA, ESQUIRE</p> <p>17 (212) 436-1508</p> <p>18 INTERNAL REVENUE SERVICE</p> <p>19 290 Broadway</p> <p>20 New York, NY 10007</p> <p>21 Viviana.a.Taverna@IRSCounsel.Treas.gov</p> <p>22</p>	<p style="text-align: right;">4</p> <p>1 INDEX</p> <p>2</p> <p>3 Witness: Page</p> <p>4 ROBERT B. COPLAN</p> <p>5 Examination by:</p> <p>6 Ms. Loviglio 5</p> <p>7 Ms. Taverna 43</p> <p>8 Mr. Zelnik 80</p> <p>9 Ms. Taverna 117</p> <p>10 Mr. Zelnik 149</p> <p>11 Ms. Taverna 156</p> <p>12 Mr. Zelnik 161</p> <p>13 Ms. Taverna 167</p> <p>14</p> <p>15</p> <p>16 EXHIBITS</p> <p>17 (No exhibits were marked.)</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>
<p style="text-align: right;">3</p> <p>1 APPEARANCES (CONTINUED):</p> <p>2</p> <p>3 and</p> <p>4 JON ZELNIK, ESQUIRE</p> <p>5 Senior Legal Counsel, CC;LM</p> <p>6 1111 Constitution Avenue, N.W.</p> <p>7 Washington, D.C. 20224</p> <p>8 (202) 283-8627</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>	<p style="text-align: right;">5</p> <p>1 PROCEEDINGS</p> <p>2 Whereupon,</p> <p>3 ROBERT B. COPLAN</p> <p>4 was called as a witness and, having first been duly</p> <p>5 sworn, was examined and testified as follows:</p> <p>6</p> <p>7 EXAMINATION</p> <p>8 BY MS. LOVIGLIO:</p> <p>9 Q. As you know, we're conducting an</p> <p>10 examination of -- on -- with respect to tax shelters</p> <p>11 and the requirements under 6707 and 6708, and we just</p> <p>12 want to ask you a few questions and get some</p> <p>13 background information first.</p> <p>14 Since completing your education, where</p> <p>15 have you worked?</p> <p>16 A. After law school, I went to the IRS in the</p> <p>17 legislation and regulations division. I spent 9</p> <p>18 years there, ending up as the chief of the branch,</p> <p>19 the rights (phonetic) estate and gift tax</p> <p>20 regulations --</p> <p>21 THE COURT REPORTER: The what?</p> <p>22 Speak up, please.</p>

2 (Pages 2 to 5)

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<p style="text-align: right;">166</p> <p>1 vehicle for them.</p> <p>2 Q. What do you consider the advantages of the</p> <p>3 S corporation --</p> <p>4 MR. DESMOND: To the extent this gets into</p> <p>5 potential 75-25 advice to particular clients on which</p> <p>6 strategy they should use, I just caution him in</p> <p>7 general terms it's fine to answer the questions as</p> <p>8 long as that's the context that you're asking about.</p> <p>9 BY MR. ZELNIK:</p> <p>10 Q. In general terms, what's the advantage of</p> <p>11 an S corporation over a partnership?</p> <p>12 A. Just management flexibility in some cases,</p> <p>13 and in a lot of cases, it's interchangeable, I agree,</p> <p>14 but the rules that apply for the use of partnerships</p> <p>15 are different.</p> <p>16 Q. Who approached Arnold & Porter about the</p> <p>17 transaction?</p> <p>18 Was it someone at E and Y, or was it</p> <p>19 someone at Bricolage?</p> <p>20 A. Bricolage.</p> <p>21 Q. When Bricolage approached you, had they</p> <p>22 already approached Arnold & Porter?</p>	<p style="text-align: right;">168</p> <p>1 A. Just like all the partners in the firm,</p> <p>2 the powers that be decide how much I get.</p> <p>3 Q. What about at the time that the equity</p> <p>4 swap transactions, the Bolton transactions and</p> <p>5 Bricolage transactions were implemented?</p> <p>6 Was your fee -- was your compensation</p> <p>7 based the same as it is now?</p> <p>8 A. Woefully short of what I would like to be</p> <p>9 getting.</p> <p>10 No.</p> <p>11 It's straight partner decision. It's kind</p> <p>12 of based on time as a partner and --</p> <p>13 Q. Was it ever directly connected to the fees</p> <p>14 received for these transactions?</p> <p>15 A. Never.</p> <p>16 MS. TAVERNA: That's it. I'm done. Okay.</p> <p>17 I think that's it. Yes.</p> <p>18 MR. DESMOND: Great.</p> <p>19 (Whereupon, at 1:05 p.m., the deposition</p> <p>20 of ROBERT B. COPLAN was concluded.)</p> <p>21</p> <p>22</p>
<p style="text-align: right;">167</p> <p>1 A. They had a relationship with Arnold &</p> <p>2 Porter.</p> <p>3 Q. Did you see a draft -- or a legal opinion</p> <p>4 from Arnold & Porter, either a final or a draft legal</p> <p>5 opinion on the transaction at the time Bricolage</p> <p>6 approached you?</p> <p>7 A. Not at the time we were approached, I</p> <p>8 don't think. Again, though, that was similar. That</p> <p>9 came later.</p> <p>10 Q. The opinion came later?</p> <p>11 A. (Nodding head.)</p> <p>12 Q. Would you have seen a draft opinion before</p> <p>13 clients invested in the transaction?</p> <p>14 A. I don't think so.</p> <p>15 MR. ZELNIK: I'm done.</p> <p>16</p> <p>17 FURTHER EXAMINATION</p> <p>18 BY MS. TAVERNA:</p> <p>19 Q. Actually, something did come up.</p> <p>20 How was your compensation based?</p> <p>21 A. Me?</p> <p>22 Q. M-hm.</p>	<p style="text-align: right;">169</p> <p>1 CERTIFICATE OF DEPONENT</p> <p>2</p> <p>3 I hereby certify that I have read the</p> <p>4 foregoing pages of my deposition testimony in this</p> <p>5 proceeding, and with the exception of changes and/or</p> <p>6 corrections, if any, find them to be a true and</p> <p>7 correct transcription thereof.</p> <p>8</p> <p>9</p> <p>10 _____</p> <p>11 Deponent</p> <p>12</p> <p>13 _____</p> <p>14 Date</p> <p>15</p> <p>16 NOTARY PUBLIC</p> <p>17 Subscribed and sworn to before me</p> <p>18 this _____ day of _____, 20____.</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>

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1 CERTIFICATE OF COURT REPORTER

2 UNITED STATES OF AMERICA)

3 DISTRICT OF COLUMBIA)

4 I, CHERYL A. LORD, the reporter before
5 whom the foregoing deposition was taken, do hereby
6 certify that the witness whose testimony appears in
7 the foregoing deposition was sworn by me; that the
8 testimony of said witness was taken by me in machine
9 shorthand and thereafter transcribed by
10 computer-aided transcription; that said deposition is
11 a true record of the testimony given by said witness;
12 that I am neither counsel for, related to, nor
13 employed by any of the parties to the action in which
14 this deposition was taken; and, further, that I am
15 not a relative or employee of any attorney or counsel
16 employed by the parties hereto, or financially or
17 otherwise interested in the outcome of this action.

18

19 CHERYL A. LORD

20 Notary Public in and for the

21 District of Columbia

22 My Commission expires April 30, 2006

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